

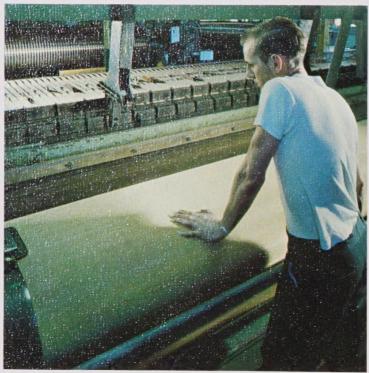
OUR COMPANY

... for close to fifty years has been engaged in the development, production, supply and servicing of highly specialized wire products for the pulp and paper industry, known to the trade as Fourdrinier Wires . . . endless belts of wire cloth that support the wet pulp on the papermaking machines and upon which the paper first takes form. Over the years, Niagara has gained an enviable reputation for the quality and performance of its Fourdrinier Wires and today is a leading supplier to the industry in all parts of the continent and overseas. On these pages, we briefly describe our company, its products, processes and services . . . a story of progress built upon the dynamic growth and achievements of the industry we serve.

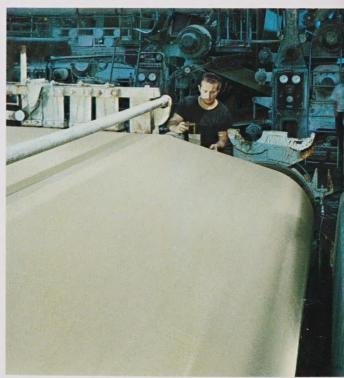
At right—The Head Office and plant — The Niagara Wire Weaving Company Limited at Niagara Falls, Ontario, Canada. Below—Fourdrinier Wire Cloth is shown being woven to very precise specifications on a loom at Niagara. At lower right, the "wire" is shown installed and ready for use on a modern paper machine at Provincial Paper — Thorold, Ontario.



Plant and Offices - Niagara Falls, Ontario







Paper Machine — Provincial Paper

THE NIAGARA WIRE WEAVING COMPANY LIMITED

(Incorporated under the laws of Ontario)

And WHOLLY-OWNED SUBSIDIARY COMPANIES

HEAD OFFICE: NIAGARA FALLS, ONTARIO, CANADA

DIRECTORS	E. J. BUELL Fort Lauderdale, Florida E. J. BUELL, JR Chippawa, Ontario R. J. HALL Niagara Falls, Ontario W. T. MEAD, C.A Chippawa, Ontario J. A. F. MILLER, Q.C Toronto, Ontario
OFFICERS	E. J. BUELL
AUDITORS	ARTHUR YOUNG, CLARKSON, GORDON & CO Buffalo-Toronto
RANSFER AGENTS	THE ROYAL TRUST COMPANY Toronto-Montreal
REGISTRAR	NATIONAL TRUST COMPANY, LIMITED Toronto-Montreal

DIRECTORS' REPORT
TO SHAREHOLDERS

The net earnings of your company and its wholly-owned subsidiaries for the year ended March 31st, 1967, were \$958,510 or \$2.13 per share*. This compares with earnings of \$826,960 or \$1.85 per share* for the previous year.

Your company's sales and share of the market continued to grow during the past fiscal year. Pulp and paper production, and the use of our fourdrinier wire cloth, continued at high levels. Since our year end, our operations have remained relatively stable in spite of some curtailment in pulp and paper production in both Canada and the United States during this period.

Important advances have been made in our programme designed to keep pace with the changing and growing needs of our customers and to gain further market penetration. Early this year, shareholders approved the acquisition of Cabble Wires, Brooklyn, New York—a highly respected organization that has served the paper industry since 1848. This company produces wire cloth similar to ours primarily for use in the manufacture of fine papers.

Moreover, since their markets are largely concentrated in New England and the eastern and north central sections of the United States, their operations are complementary to those of Niagara Wires. While this new subsidiary will continue to operate as a separate entity, there are areas of mutual benefit that will strengthen the position of both companies and enhance our ability to serve the industry.

During the year, great strides were taken by the paper industry in the modernization of their equipment. More than ever before, the emphasis is on speed and production economies. Throughout North America, the older and smaller paper machines are being replaced by giant, modern ones in widths approaching 400 inches and with speeds up to 5,000 feet per minute.

Paralleling this trend, correspondingly heavy capital expenditures on our part have been required to design, construct, and install, at an increasing rate, weaving and finishing equipment in these mammoth sizes.

Throughout all our operations, modernization and expansion have been again accelerated. Our Florida plant has been further enlarged and is now twice its original size. New major equipment has been installed in our Olympia, Washington and Niagara plants and a new wire drawing facility has commenced operations. Much of this advanced equipment was designed and manufactured in our engineering and development subsidiary in Niagara Falls, New York.

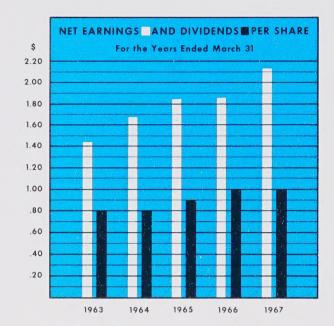
The Niagara International Centre, in which your company holds approximately 30% interest, continues to be well patronized by visitors from all corners of the world. Funds invested in this project since the year end were of a capital nature and were applied to the original construction cost.

We are extremely proud of our personnel and their response to the challenges of the industry we serve. This year we have devoted the cover of our Annual Report to a brief description of the company that they, and you, have helped to build. We hope that you find it both interesting and worthwhile.

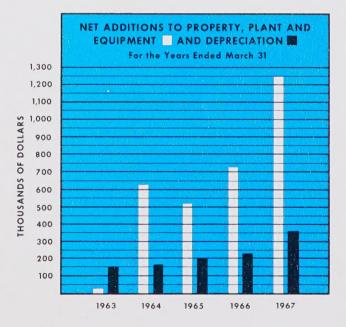
On behalf of the Board,

Edward & Buen fo.

E. J. Buell, Jr. President

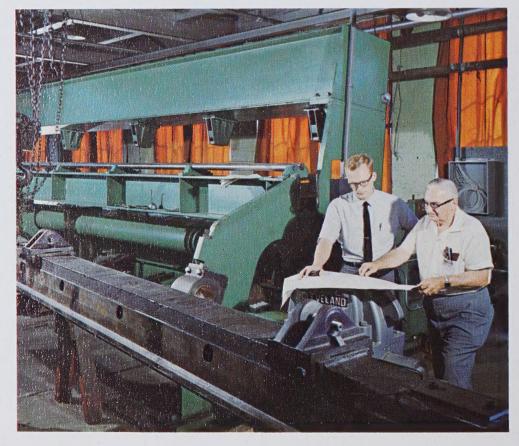


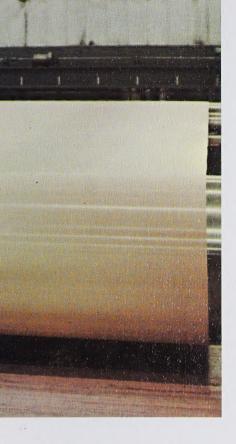
*Calculation is based on the weighted average of shares outstanding during the year and excludes 20,000 shares held by wholly-owned subsidiary.



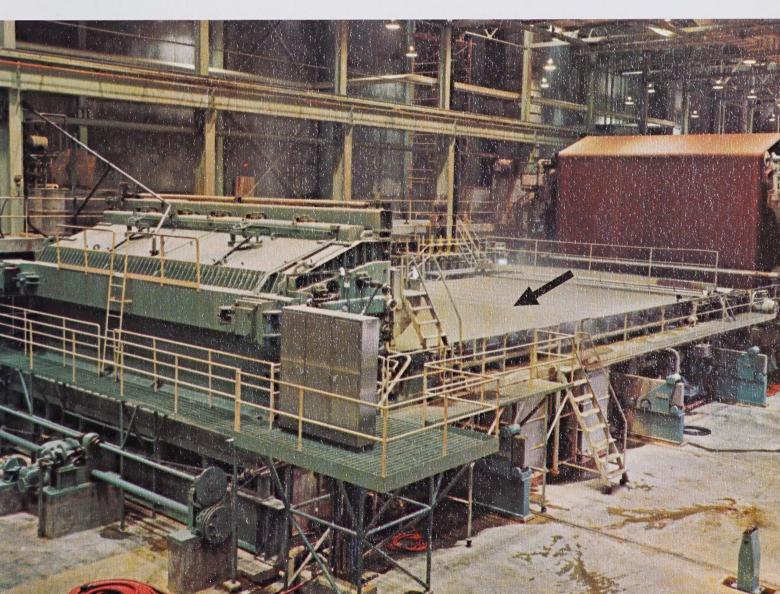
Calculation of net additions to property, plant and equipment for the year ended March 31st, 1967 excludes the acquisition of Cabble Wires.







Niagara is equipped to produce Fourdrinier Wires for the world's largest paper making machines. At left, a wire 346" wide is shown on a large stretcher before shipment to the Rothesay Paper Mill in Saint John, New Brunswick for use on their machine — one of the largest in the world. At far left, a new loom, developed and produced by Niagara to meet the industry's need for larger, high quality Fourdrinier Wires, is inspected by a member of the Engineering staff.



Consolidated Balance

(With comparative

	\mathbf{c}
ASSET	-

CURRENT ASSETS		1967	1966
Cash	\$ 361,346		\$ 161,247
Marketable securities — at cost (market value 1967 —			
\$3,175,000; 1966 — \$3,560,000).	2,441,161		2,521,421
Accounts receivable	1,714,186		1,312,485
Inventories, at lower of cost or market	2,946,121		1,886,012
Prepaid expenses	107,819		99,155
Total current assets		\$ 7,570,633	5,980,320
OTHER ASSETS			
Investment in Niagara International Centre Limited,			
at cost (Note 2)	1,373,333		1,373,333
Shares of an affiliated company, at nominal value .	1		1
Cash surrender value — life insurance	182,892		168,179
Patents, at nominal value	1		1
Special refundable taxes	40,000		
		1,596,227	1,541,514
PROPERTY, PLANT AND EQUIPMENT			
Land, buildings, machinery and equipment, at cost .	6,659,467		4,963,790
Less accumulated depreciation	2,686,486		2,430,958
a source and a sou			
		3,972,981	2,532,832
		\$13,139,841	\$10,054,666
Signed on behalf of the Board:			

Signed on behalf of the Board:

EDWARD J. BUELL, JR., Director R. J. HALL, Director

See accompanying notes.

heet as at March 31, 1967

ures as at March 31, 1966)

LIABILITIES

27/01211120		
CURRENT LIABILITIES 1	967	1966
Notes payable:		
Bank \$1,630,365		\$ 480,000
Other		150,000
\$1,686,807		630,000
Accounts payable and accrued liabilities 992,081		665,193
Income taxes		306,101
Dividends payable		89,600
Deposits on returnable containers <u>121,495</u>		111,403
Total current liabilities	\$ 3,338,770	1,802,297
DEFERRED INCOME TAXES	143,700	78,164
SHAREHOLDERS' EQUITY CAPITAL STOCK (Notes 1 and 2)		
Authorized:		
50,000 Class A shares with a par value of \$50 each 500,000 Class B shares without par value 150,000 Common shares without par value		
Issued and fully paid:		
374,046 Class B shares (351,000 in 1966) 944,632 124,682 Common shares (117,000 in 1966) 314,877 1,259,509		299,437 99,812 399,249
CONTRIBUTED SURPLUS 425,051		425,051
RETAINED EARNINGS 8,129,237		7,506,331
9,813,797		8,330,631
Less: Shares of The Niagara Wire Weaving Company Limited owned by a subsidiary company, at cost156,426		156,426
Total shareholders' equity	9,657,371	8,174,205
	\$13,139,841	\$10,054,666

THE NIAGARA WIRE WEAVING COMPANY LIMITED And WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Earnings For the Year Ended March 31, 1967

(With comparative figures for the year ended March 31, 1966)

	19	67	1966
OPERATING INCOME		\$1,667,167	\$1,363,388
After deducting or providing for all costs of manufacturing, selling and administration including the following:			
Depreciation of property, plant and equipment.	\$353,968		230,413
Contribution to pension funds	61,710		59,833
Directors' fees	5,775		5,775
OTHER INCOME			
Interest and dividends		130,305	130,471
		1,797,472	1,493,859
PROVISION FOR INCOME TAXES			
Current	773,655		613,861
Deferred, relating to accelerated depreciation	65,307		53,038
		838,962	666,899
NET EARNINGS FOR THE YEAR		\$ 958,510	\$ 826,960
See accompanying notes.			

THE NIAGARA WIRE WEAVING COMPANY LIMITED And WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Retained Earnings For the Year Ended March 31, 1967

(With comparative figures for the year ended March 31, 1966)

	1967	1966
BALANCE-BEGINNING OF YEAR	\$7,506,331	\$6,955,620
Net earnings for the year	958,510	826,960
Net profit on sales of securities during the year	118,541	171,751
Deduct:	\$8,583,382	7,954,331
Dividends paid:		
Class B — \$1.00 per share (Note 1)	335,609	331,000
Common — \$1.00 per share	118,536	117,000
	454,145	448,000
BALANCE-END OF YEAR (Note 2)	\$8,129,237	\$7,506,331

See accompanying notes.

THE NIAGARA WIRE WEAVING COMPANY LIMITED And WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Source and Disposition of Funds For the Year Ended March 31, 1967

(With comparative figures for the year ended March 31, 1966)

1967	1966
SOURCE	
Operations:	
Net earnings \$ 958,510 Charges against earnings not involving working capital in the current period:	\$ 826,960
Depreciation	230,413
Deferred income taxes	47,103
\$1,37	78,014 1,104,476
Issuance of stock for assets of Cabble Wire Company, Inc.:	
23,046 Class B shares	
7,682 Common shares <u>215,065</u>	
86	60,260 —
Profit on sale of securities13	18,541 171,751
\$2,33	56,815 \$1,276,227
DISPOSITION	
Additions (net) to property, plant and equipment:	
Cash consideration \$1,25	50,497 \$ 728,207
Stock consideration	43,620 —
Investment in Niagara International Centre Limited .	333,333
Dividends on stock 45	54,145 448,000
Special refundable taxes	40,000 —
Increase in cash surrender value of life insurance:	
Cash consideration	3,995 4,552
Stock consideration	10,718 —
Increase (decrease) in working capital	53,840 (237,865)
See accompanying notes.	<u>\$1,276,227</u>

THE NIAGARA WIRE WEAVING COMPANY LIMITED And WHOLLY-OWNED SUBSIDIARY COMPANIES

Notes to Consolidated Financial Statements For the Year Ended March 31, 1967

1. The consolidated financial statements include the accounts of the Company and its wholly-owned domestic and United States subsidiaries. For accounting purposes the acquisition of the assets of Cabble Wire Company, Inc. on March 10, 1967 in exchange for 23,046 shares of Class B and 7,682 shares of Common stock has been treated as a purchase of assets. The assets were transferred to a new United States subsidiary, Cabble Wires, Inc. As a result of the issuance of these shares, \$645,195 were credited to Class B share account and \$215,065 to Common share account.

The accounts of the U.S. subsidiary companies have generally been converted at the rate of exchange in effect on March 31, 1967 except that property, plant and equipment and depreciation thereon have been included at rates of exchange in effect at the various dates of acquisition. Dividends on the 20,000 Class B shares owned by a subsidiary company have been eliminated.

2. Subsequent to March 31, 1967 the Company's investment in Niagara International Centre Limited was increased \$126,667 by the purchase of additional debentures, on a pro-rata basis with other major participants. The Company is a guarantor in the amount of \$1,266,666 for indebtedness of the Centre. In addition, the Company is a guarantor as to one-third of an equipment lease agreement of the Centre which calls for installments of \$10,000 per month over the remaining nine year period of the lease. The Company has approximately a 30% interest in the Centre which is engaged in the operation of an exhibition hall and observation tower in the Niagara Falls, Ontario area.

AUDITORS' REPORT

The Board of Directors and Shareholders The Niagara Wire Weaving Company Limited

We have examined the accompanying consolidated balance sheet of The Niagara Wire Weaving Company Limited and its wholly-owned subsidiary companies at March 31, 1967, and the related consolidated statements of earnings, retained earnings and source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of The Niagara Wire Weaving Company Limited and its wholly-owned subsidiary companies at March 31, 1967, the summarized consolidated results of their operations and the source and disposition of their consolidated funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG, CLARKSON, GORDON & CO.

Certified Public Accountants

Buffalo, New York July 14, 1967





Winter or Summer, the Skylon with its observation deck, lounge and revolving dining room overlooking Niagara Falls, attracts visitors from all parts of the world. A large exhibition hall at ground level completes the Niagara International Centre in which Niagara Wires has approximately a $30^{\rm 0}/_{\rm 0}$ interest.

SERVING THE MARKET

The first Niagara plant went into operation at Niagara Falls, Ontario in 1919 (see page opposite). Since then, the company has extended its products and services to all sections of the continent through the network of wholly-owned subsidiary firms shown on this page.



Niagara Falls, New York



Olympia, Washington



Trois-Rivières, Quebec



Quincy, Florida



Brooklyn, New York





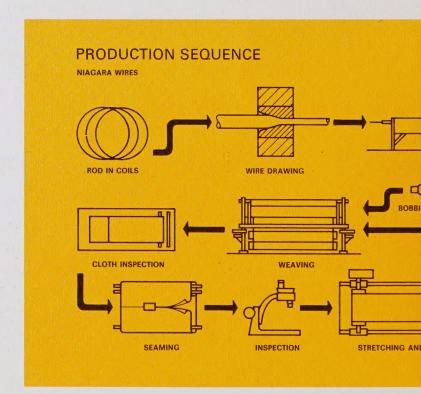




... precision engineered products with meshes as fine as 100 strands per inch . . . yet able to withstand the operating stresses of paper machines with continuous production speeds of up to 5000 feet per minute. Four-drinier Wires are essential to the efficient manufacture of all grades of paper and container board. Niagara meets the challenge with highly qualified research and technical/sales personnel and a multi-plant production organization, staffed and equipped to manufacture Fourdrinier Wires that are recognized as among the best in the world.



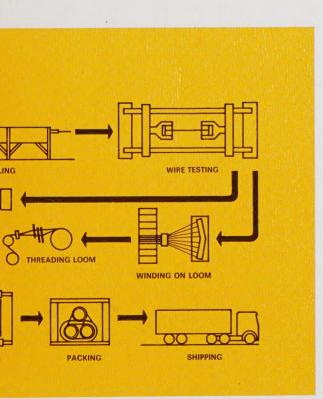
Magara quality production begins with bronze or brass rod (1) supplied to carefully established and controlled specifications. Its diameter is drastically reduced as it passes through the dies of heavy duty drawing machines . . . after annealing — or softening it is drawn through diamond dies, reducing its diameter to finished sizes as fine as five thousandths of an inch. It is then re-annealed (2) and ready for use. This fine wire is then wound on a warp beam from which each individual wire strand is threaded into the loom to be woven into cloth (3) up to 400" in width, and from 40 to over 200 feet in length. The cloth is seamed into an endless belt, carefully inspected inch by inch (4) then stretched and finished, before shipment via one of the company's modern trucks (5).



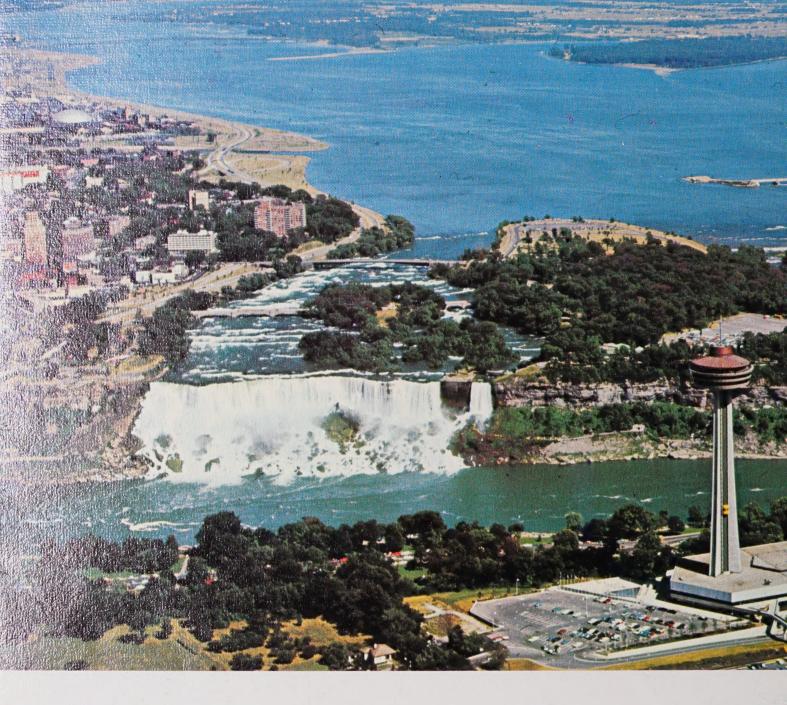
Quality levels are established at Niagara for every stage of manufacture, and carefully controlled by qualified technical personnel using modern testing equipment and methods. There is also a continuing programme to find new ways, new materials to serve the changing, more demanding needs of the industry we serve. At right, a technician prepares to examine a sample section of wire cloth at high magnification.













THE NIAGARA WIRE WEAVING COMPANY LIMITED HEAD OFFICE: NIAGARA FALLS, ONTARIO, CANADA